

# The NATIONAL UNDERWRITER

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## New York Again Argues Conn. General LAA Annual At N.Y. Attempt To Buy Property Subsidiary Draws Record 400, Covers Many Topics

The New York department, in its second round in the courts with Connecticut General maintains that the intention of the New York law and its history support the superintendent's opposition to the formation or purchase of fire and casualty insurers by life companies. The department's argument is contained in its answer to Connecticut General's brief recently filed with the appellate division of the New York supreme court wherein the insurance company took the opposite view.

After stating the history of why the department allows fire and casualty companies to acquire life companies, but prohibits life companies from buying fire and casualty companies, the brief states, "The legislature has clearly concluded that the latter acquisition would represent a business activity and investment risk for life insurers inconsistent with the public interest."

### Conn. General View

In its argument, Connecticut General has said that section 42(3) of the law does prohibit an out-of-state insurer from doing business forbidden domestic companies, but that section and its companion, 193(2), do not bar a subsidiary or parent of a life company from writing fire and casualty insurance.

Said the department in its answer, "If a life insurer, prohibited by section 193 from entering the field of fire or casualty insurance could indirectly accomplish this end by the simple expedient of acquiring a corporate subsidiary

to carry on the prohibited business, the long standing and distinctive legislative treatment of life insurers, culminating in the enactment of section 193, would be nullified.

"We are not here concerned with the tort liability of a parent, or with its general responsibility for the acts of the subsidiary. Rather, we are concerned with the broad implication of a transparent attempt to evade the carefully considered public policy of this state in the particularly sensitive area of life insurance.

"The corporate form is an artificial creation of the state, to be availed of only in its interests, and may not be subverted for purposes hostile to those interests.

### Control Permissible Sometimes

The department's brief argued, "Appellants great reliance on section 67(1), which deals with the acquisition by a foreign insurer of a subsidiary insurer, is ill considered, both in the context of the insurance law as a whole, and of the express proviso of that section that 'such retention, investment,

acquisition or management (be) not inconsistent with any other provisions of this chapter.' Unquestionably, 67(1) recognizes that control through stock ownership is permissible in some situations—although not in others. The superintendent maintains not that ownership of a subsidiary is forbidden in all circumstances, but simply that a life insurer may not acquire a fire or casualty subsidiary, and that the provision of section 193 is clearly encompassed in the cited proviso of section 67(1).

"Casting more heat than light is appellants oft repeated contention that because the insurance department continues to license two life insurers (Aetna Life and Travelers) which have had fire and casualty subsidiaries for over half a century, the refusal to allow appellant a similar subsidiary acquisition is necessarily violative of the equal protection clauses of the federal and New York constitutions.

"The fallacy in that argument is obvious. There are, we submit, no consti-

(CONTINUED ON PAGE 8)

### Gregg, Kieffer, N.Y. Life V-P Johnson On Program; Briggs Elected President

NEW YORK—Ranging all the way from talks on world conditions to "how we do it," the annual meeting here of Life Insurance Advertisers Assn. drew the largest attendance ever recorded, close to 400.

On the opening day, members and many home office guests were given an unusual insight into what is going on in sociology, psychology, religion and science, Speakers were Director Paul N. Ylvisaker of the public affairs program of the Ford Foundation, Director Raymond A. Katzell of the New York University research center for industrial behavior, Episcopal Bishop James A. Pike of California and Prof. John Turkovich of Princeton University, consultant to the Atomic Energy Commission. Bishop Pike appeared in lieu of the Rev. Norman V. Peale who was originally scheduled.

Following these talks, President Davis W. Gregg of American College spoke on trends in life insurance. He

(CONTINUED ON PAGE 18)



Robert S. Kieffer

## Lincoln National's Dedication Plans Set



Plans for three days of open house and dedication ceremonies to mark the completion of Lincoln National Life's major home office additions and modernization of its previously existing facilities, have been completed.

Activities will begin on Oct. 8, with "Lincoln Life family day," during which a preview showing of the multimillion dollar addition will be presented for all employees and their families and for all of the company's agents and their families in the area.

Oct. 9, the company will play host to approximately 2,000 invited guests, both local and national, who will be present for formal dedication ceremonies which will be held during the afternoon on the home office entry plaza.

Among the honored guests at the dedication will be eight agents and eight general agents who were winners in their respective areas during the company's President's Month contest.

A special open house for the public will take place the afternoon of Oct. 16, when Fort Wayne area residents will be invited to tour the building.

The coming dedication and open house activities will climax approximately four years of planning and actual construction. Initial contracts for the new addition were let in December of 1957. Completion of the program more than doubles the floor space available before the expansion.

San Antonio Assn. of A&H Underwriters heard John Borden, claims superintendent of American Hospital & Life, indicate the problems presented by the speculative buyer of hospital insurance.

## Best Aug. Ever In Ordinary, Weekly And Total Sales

Sales of ordinary in August were \$4,346,000,000, up 5%, for a new August record.

Industrial for August, \$569 million, was also up 5% and also set an August record.

Group sales were \$985 million in August, up 3%. These figures represent new groups only, without any additions to groups already in force.

The aggregate for all lines in August was \$5.9 billion, a 5% gain and the largest August on record.

Ordinary for the first eight months was \$34,023,000,000, off negligibly from last year. Industrial, with \$4,604,000,000, was about the same as last year's first eight months, while group sales were \$8,367,000,000, up 25%.

National elation over the new August records for ordinary and industrial must be tempered by the fact that August, 1960, had eight Saturdays and Sundays as against 10 for August, 1959, yet this resulting increase of 9.5% in number of working days was accompanied by a sales rise of only 5%.

The eight months' figures for ordi-

nary include \$380 million in 1960 and \$464 million in 1959 under individual policies written on groups of persons. None of the figures in the foregoing item includes credit life insurance sales.

## D. N. Warters Heads Actuaries Society; To Succeed Hoskins

Dennis N. Warters, president of Bankers Life of Iowa, was elected president of Society of Actuaries at the annual meeting in Chicago. He succeeds James E. Hoskins, retired vice-president and actuary of Travelers. Mr. Warters has been vice-president of the society.

### Jenkins President-Elect

Wilmer A. Jenkins, executive vice-president of Teachers Insurance Annuity, was elected to the newly created post of president-elect of the society.

He will succeed Mr. Warters a year hence. The new procedure is designed to give the president a year to prepare for the post. Mr. Jenkins has served two terms as a vice-president.

### Raises Interest Rates

Life of Virginia has raised to 3½% the rate of interest payable on settlement options, withdrawable or non-withdrawable.

## SEVERAL CHANGES MADE

## High Executive Post For W.G. Pierce At Fidelity Mutual Life

PHILADELPHIA—Fidelity Mutual has elected William G. Pierce vice-president—insurance, Glenn A. Stearns vice-president—manager of agencies and Henry L. Hood 2nd vice-president—mortgages.

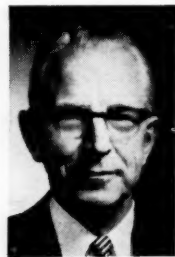
Mr. Pierce has been general agent at Philadelphia, where he has been succeeded by R. E. Tiffany as manager. Before becoming general agent of Fidelity Mutual 11 years ago, Mr. Pierce was with his



William G. Pierce



Henry L. Hood



Glenn A. Stearns

father's agency of Connecticut General and then Travelers, at Philadelphia. On returning from the navy he joined New England Life, becoming a Million Dollar Round Table member and a CLU.

### Stearns Started With Equitable

Mr. Stearns was with Equitable Society and Union Mutual before joining Fidelity in 1943. He has been 2nd vice-president—manager of agencies.

Lawrence J. Doolin, who is vice-president—agency, will continue his participation in agency department management and will have broadened duties in agency and other company matters.

Mr. Hood has been with Fidelity since 1930 and has been 2nd vice-president—securities since 1956.

## Steel Union Plans Own Medical Care Program

United Steel Workers has taken steps to initiate a medical care program involving construction of hospitals and medical centers in steel communities. Earlier this year the United Auto Workers adopted its own medical plan.

The program, which would be financed out of part of the \$1.6 billion pension reserve fund of the steel industry, evolved from a two-year study of Blue Cross-Blue Shield plans, which cover the union's 1.2 million members and their families. The report was highly critical of the plans and concluded that the union was getting inadequate benefits for too great a cost.

Homesteaders Life of Des Moines reports new business during August was up 37% over the same month a year ago. The company's gain in issued and paid for business for the first eight months is 14.1%.

## Nw National Joins In \$43 Million Proposal For Minneapolis Renewal

Northwestern National has joined with three other business organizations in proposing a \$43 million renewal and development program for downtown Minneapolis, a project which would include a new \$7 million home office for the insurer.

If the proposal, as presented to the Minneapolis housing and redevelopment authority, is accepted, approximately 40% of the lower downtown section will be replaced with carefully planned new buildings and space-use areas. It is one of the most important renewal programs ever announced for a city the size of Minneapolis, and it is comparable to the redevelopment of Philadelphia and Pittsburgh.

Other participants in the project, to be known as Gateway Center, are Sheraton Hotel Corp., International Business Machines Corp., and Knutson Construction Co. of Minneapolis. Along with the new home office of Northwestern National, the enterprises would entail a \$9.5 million, 17-floor Sheraton Center Hotel, a \$2 million office and training school for IBM, a group of 24-story apartment buildings to be erected by the Knutson company, developers of the entire project, at a total cost of \$22 million, and a landscaped downtown central plaza costing about \$2 million and containing

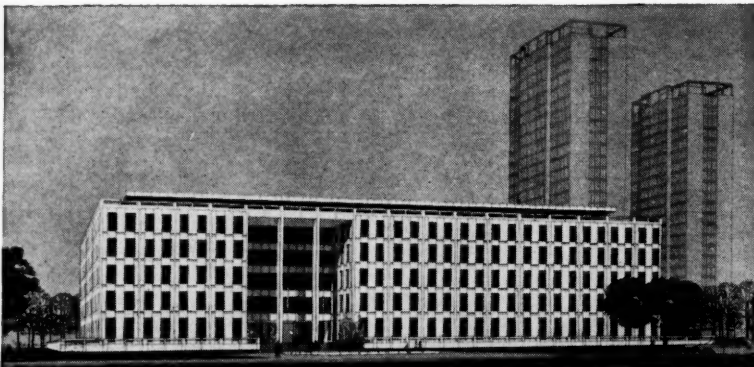
restaurants, recreation and entertainment areas.

In announcing Northwestern National's participation, President John S. Pillsbury Jr. said the decision to build the home office in Gateway Center was made after careful study of suburban and other sites that "convinced us that the best interests and greatest convenience of our company, employees and policyowners would be served by location in and identification with the downtown area."

Tentative plans call for a building containing approximately 230,000 square feet in the four floors for general office use, a pent house for employees' service and mechanical space and a basement. Parking would be provided through two lots. The building would not be ready for occupancy before late 1963.

### Joins Milliman, Robertson

John D. MacPhail, former assistant actuary of Dominion of Canada General Insurance Co., has joined Milliman & Robertson, consulting actuaries, and will be attached to their Los Angeles office. Mr. MacPhail began his Dominion of Canada General in Toronto. He is an associate of Society of Actuaries.



New \$7 million home office building of Northwestern National in proposed Gateway Center would provide 230,000 square feet of floor space. Site would be within block of original home office when insurer was founded in 1885.



Outlined area in photo shows proposed Gateway Center of downtown Minneapolis which Northwestern National and other companies would develop. Renewal project costing \$43 million would contain new home office for insurer, IBM building, Sheraton Hotel, two 24-story apartment buildings, and central plaza. Present home office is indicated in upper right hand corner.

## BIJESSE HEADS CLAIM ASSN.

## Schriver Sees Part Of A&S Market Taken Over By Government

LAKE PLACID, N. Y. —A frank warning that part of the A&S insurance market may very well pass into the hands of the federal government was sounded by Lester O. Schriver, executive vice-president of NALU, at the annual meeting of International Claim Assn. here. Survival of private insurance will involve "a



H. H. Bijesse

Herculean educational program" for the public, Mr. Schriver said.

At the meeting, Herman H. Bijesse, assistant vice-president of Guardian Life, was elected president. Other officers elected were Stanley L. Peterson, Aetna Life, vice-president; Howard LeClair, Mutual of Omaha, secretary, and John McAlexander, Bankers National Life, treasurer. Elected to the executive committee were George F. Monks, New York Life, chairman; Jerome A. Boyer, Northwestern Mutual; Gordon C. Donley, Crown Life; John D. Steudel, Aid Assn. for Lutherans; Walter T. May, Massachusetts Mutual; Kenneth Barrows, Bankers Life; J. Robert Bracewell, Provident Life & Accident; William J. McBurney, Prudential; and Elmer J. Rasmussen, Continental Casualty.

### 'Hell To Pay'

Said Mr. Schriver, "Health care has become a devastating financial experience in the lives of many American families. Hospital and medical costs present a cataclysmic experience for anyone without the right kind of insurance, and the average person doesn't have it. The public is safe if he has any kind of policy, if he never has an accident or is never sick. But if he is sick or if he does have an accident and he finds his policy doesn't cover the need, there is really hell to pay."

"We have more kinds of A&S coverage than Heinz has pickles. Some of

(CONTINUED ON PAGE 9)

## Guardian Division Leaders Hold Rally

Leaders club qualifiers from Guardian Life's New York metropolitan area division held a three-day conference at the Lake Tarleton Club in New Hampshire. Attended by representatives of 17 agencies, it was the last of a series of meetings marking the Guardian's centennial.

### Last Items Covered

The meeting covered estate planning, the professional partnership market, term conversions, the Keogh (now Smathers) bill, the sale of group coverages and pension plans, and the use of Guardian produce product features and sales materials.

Arthur J. Raumann, New York City, retiring president of the Leaders Club, and John C. Slattery, 2nd vice-president of Guardian, served as chairman. Chairman James A. McLain gave the closing address and President John L. Cameron spoke at the banquet.



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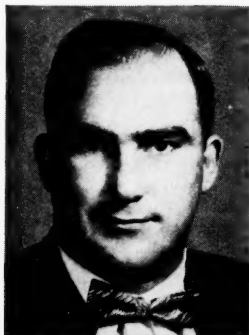
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CHARLES L. CRUMBLEY

Associate General Agent  
Charles Crumbley had no  
previous life insurance  
experience.

Here is a record of his  
earnings as reported to  
the Department of  
Internal Revenue.

1956 . . . . .	\$ 8,131.88
1957 . . . . .	10,791.94
1958 . . . . .	10,468.77
1959 . . . . .	17,123.98

## *My clients are proud of what they own . . .*

Laurel, Mississippi  
August 13, 1960

Mr. Charles Becker, Jr., Vice President  
The Franklin Life Insurance Company  
Springfield, Illinois

Dear Chas:

I have just moved into my new "Franklin home." My wife and I never dreamed that in five short years we would enjoy such prosperity, with such a rosy future ahead. I feel that I am extremely lucky to be associated with Franklin.

It was our "Specials" that did it. I left a good "job" in advertising because I fell in love with the Franklin specials, and their tremendous public appeal. And I regularly get a big "bonus" in the constant and generous Home Office cooperation. We have the finest sales aids in the industry, and our warmly motivating and practical audio-visual presentations are tremendously helpful—to me and my clients.

Approximately 95% of my sales are on Franklin specials, and their terrific acceptance has given me excellent persistency. My clients are proud of what they own, and anxious to tell their friends.

These special Franklin advantages have enabled me to give time to civic work. Last year while serving as State President of Mississippi Jaycees—traveling over 40,000 miles—I still had my best earning year, a 60% increase over the previous. This year, despite building a new home and being elected National Vice President of the U. S. Jaycees I expect to at least equal, and probably exceed, last year; and to again qualify for Franklin's Million Dollar Conference.

I am sincerely thankful for all that Franklin has made possible for me and my family.

Cordially,  
Charles L. Crumbley

*An agent cannot long travel at a faster gait than the company he represents!*



*The Friendly*

**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted  
exclusively to the underwriting of Ordinary and Annuity plans*

*Over Three Billion Eight Hundred Million Dollars of Insurance in Force*

## A REAL SALES MAKER for the **WOMEN'S MARKET!**

### COLONIAL LIFE'S PERSONAL ACCIDENT AND HEALTH POLICY FOR CAREER WOMEN

#### GUARANTEED RENEWABLE TO AGE 62

... A time when Social Security Benefits become available to women

#### PROVIDES LOSS OF INCOME BENEFITS

from \$100-\$300 per month

under 2 different benefit plans with various waiting periods

#### ACCIDENTAL DEATH BENEFITS

#### OPTIONAL BENEFITS

■ Hospital Expense

■ Surgical Expense



## The Colonial Life

INSURANCE COMPANY OF AMERICA

Home Office: East Orange, New Jersey

Affiliated with **Chubb & Son, Inc.**  
through Federal Insurance Company

## Canadian Private Health Plans Show Continued Growth

Despite the growth of government hospital insurance plans, more than one million Canadians became new purchasers of medical insurance in 1959, increasing the total covered 14.5%, while surgical plans added 700,000 for a 9.4% increase, according to the annual statistical report of Canadian Health Insurance Assn. The figures represent the results of all non-governmental voluntary health services, and include both heads of households and dependants.

The fastest growing category of coverage was major medical, which showed 1,179,000 covered in 1959 compared with only 234,000 four years ago.

#### Personal Responsibility Proven

"This steady increase in coverage shows that Canadians generally are both willing and able to take the responsibility of arranging their own health insurance coverage," said F. A. Walton, Mutual of Omaha, president of the association.

A comparison between the years 1950 and 1959 showed that the number of people with surgical coverage has increased from 2.6 million to 8.1 million and medical insurance increased from 1.8 to 7.5 million. More than six million Canadians are covered by some sort of health coverage.

#### Natl. Travelers Life Gains 40%

National Travelers Life of Des Moines had a 40% gain in paid for business during August of 1960 compared to August of 1959. The company has \$43,065,749 of paid for new business for the year to date.

Indiana Assn. of Life Underwriters has distributed to its 1,400 members the association's second annual directory.

## Colo. Credit Life Is Purchased By Houston Insurer

American Investors Life of Houston has purchased all the outstanding business of Colorado Credit Life under a conditional sales contract which grants the Boulder insurer an opportunity to repurchase the business at the end of six months if it complies with certain provisions.

No disclosure was made of the purchase price or the conditions of repurchase. The transaction has been approved by Commissioner Beery of Colorado.

American Investors Life is wholly owned by American Investors Corp. of Nashville, which also owns all the stock of Financial Life & Casualty of Columbia, S. C., and American Investment Life of Nashville. American Investment Life owns all the stock of American Investment Life of South Carolina and American Investment Life of Maryland. Also in the group are Investors Fire of Columbia, S. C., Southeastern Fund of Columbia, an installment finance company, and G. W. G. Corp., a mobile homes sales organization in the south Atlantic and Gulf Coast states.

American Investors Life, with the addition of the \$163 million credit and ordinary insurance in force in Colorado Credit Life, now has a total of \$270 million in force. The group is only three years old.

D. Walter Swan, executive vice-president, and Henry A. Heinly, agency vice-president of Colorado Credit Life, will remain as chief executives in the regional home office at Boulder. Part of the acquisition of American Investors was the home office building of Colorado Credit Life, the largest structure in Boulder.

Chairman of American Investors Corp. is Harry A. McDonald, former chairman of the SEC. Chairman of the insurance companies is George P. Marshall who owns the Washington Redskins professional football club. One of the directors is C. D. Rosenbloom, owner of the Baltimore Colts football club.

## Right Now—get the facts on a NEW APPROACH TO YOUR PROFESSIONAL CAREER

as a General Agent of the Central Standard Life Insurance Company... offering you a new Career Contract with...

Completely Vested Renewals for the premium paying period of the policy  
Substantial Override for General Agents  
Accident and Sickness Plans --  
"Your partner for Life"  
High Value Low Premium Life Plans  
Top First Year Commissions

#### With Central Standard You Enjoy

- working with an agent-agency building organization
- company sponsored education
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- liberal underwriting

**"The secret of success is Constancy to Purpose"**

Benjamin Disraeli

Our success has been achieved with our career men and women.

See for yourself—Write or wire today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: John M. Laffin, Vice President and Agency Director.

In Force: \$357,405,420

Assets: \$107,284,880

Surplus: \$14,591,874

## CENTRAL STANDARD LIFE

Founded 1905

INSURANCE COMPANY

211 W. Wacker Drive Chicago 6, Illinois  
Life • Accident • Sickness

These  
facts  
can make  
your future  
secure...



## New Variable Annuity Company Is Formed

A new variable annuity company—Annuity Life of Louisville, subsidiary of Security Annuity Life—has been formed. The parent company and subsidiary have filed a statement with the Securities & Exchange Commission seeking registration of 300,000 shares of common stock to be offered for public sale at \$7 per share.

The company intends to sell up to 200,000 shares through agents who will receive commissions of 40 cents per share, the balance to be sold by promoters, for which they will receive no commissions.

According to an SEC statement regarding the seeking of registration, the company was organized in April for the purpose of selling life, annuities and A&S coverage. Security Annuity Life proposes that at least \$150,000 of the proceeds from the stock sale will be allocated to the insurance subsidiary, which will register with the SEC as an open end diversified management investment company. The subsidiary will issue participating variable annuity contracts. Balance of the proceeds will be used to form general agencies and for other costs.



# "POWER ON" AND THE FIRST IBM 7070

## GOES TO WORK IN THE INSURANCE FIELD

### at Provident Life and Accident Insurance Company

Provident of Chattanooga has just purchased and installed the most advanced solid-state data processing system in its class . . . the IBM 7070.

This modern system not only speeds and streamlines Provident's routine accounting procedures, but provides more current experience reports and actuarial analyses . . . the basis of rapid management response to ever changing trends. All this adds up to better, faster and more economical service to Provident's policyholders.

IBM systems are not new at Provident, and have

kept pace right along with this growing company's changing needs. In fact, the current transition from two IBM 650's was greatly facilitated because of the 7070's ability to simulate 650 operations. The 650 simulator is only one of many routines in the Programmed Applications Library supplied with the IBM 7070.

For more information about this and other IBM data processing systems please contact your nearest IBM representative.

**IBM**  
BALANCED DATA PROCESSING



# Home Office Use Of Electronics Bringing 'Gradual Revolution'

TORONTO—A "gradual revolution" is occurring in life company home offices as a result of the introduction of electronic data processing machines, Charles H. Bader, administrative vice-president of Interstate Life & Accident, told the Life Office Management Assn. convention here in his presidential address at the opening of the annual meeting.

Mr. Bader noted that the installation of a computer by one of the large west coast companies affected seven different departments, when all the functions relating to the handling of individual insurance operations were consolidated into a policyholder service department. In the consolidation, 15 key jobs in top and middle management were upgraded, and the manager of the electronics department was elevated to treasurer and given the responsibility over five departments.

## Personnel Affected, Too

Both large and medium sized computers are gradually revolutionizing the home offices, said Mr. Bader. Not only are the organizational charts affected, but personnel as well.

"Organizational charts built along vertical lines are being revamped to allow for horizontal flow of responsibilities," he said. "With centralized automation, department managers are dealing more closely with other departments in a horizontal plane, and many departments are being consolidated."

Mr. Bader then considered the role LOMA plays in keeping its members informed and up to date.

## All Like LOMA's Service

"In many conversations with company presidents, I have received fairly uniform answers to the question, 'Is the LOMA fulfilling its responsibility to the life insurance industry?'" he said. "Without exception, the presidents agree that their companies receive a large dollar value for the modest dues they pay to support the association."

A man's earning capacity is not only his best capital investment but it is his only inflation-proof asset, said President Harold J. Cummings of Minnesota Mutual Life at the opening general session.

"Any and everything else that he owns may prove to be a hedge against inflation—his home, his diamonds, his stocks," said Mr. Cummings. "His social security is a built-in hedge against inflation, both before and after retirement."

"But only his earning capacity is inflation-proof! And only a life insurance contractual investment, made in time, can prevent loss of that inflation-proof asset. Who can know that he will need ready money, lose his health, reach retirement or die in a bull market? When any one of these things happens—and happen they will—the fixed dollars guaranteed by a life insurance contractual investment will loom up like cartwheels, while equity dollars may be worth pennies."

"And once one can no longer qualify physically for contractual security, he will have to live on in constant dread of losing the only inflation-proof asset he will ever own. When inflation enhances the dollar value of his home, does he drop his fire insurance? Or cut it in half? Or put off increasing

his insurance till a fire has started?"

"Anyone sincerely seeking financial security must first take an 'option' on enough 'cartwheels'—make an adequate life insurance contractual investment—while yet there is time! The reasons are overwhelming."

Mr. Cummings summed it up this way: One can no longer earn, compound and keep interest on his savings as his forebears could; the harder the man tries, the more he earns, the less he gets to keep; only through life insurance can he have income and yet —tax-wise—have no income all through his productive years; at maturity he has the right to "annuitize" his savings, with further tax advantage; through life insurance he can make 40 cents do the work of a dollar invested any other way; the man must either save the 40 cents, risk a dollar in some other way, or go without added income at 65; even if he saves and

agement by edict is not the philosophy of management that is recommended these days."

Management by consent, Mr. Myers explained, is a philosophy that has been steadily gaining adherence among managers in recent years."

"People like to participate," he said.



Charles H. Bader



Merrill R. Tabor

## OFFICERS ELECTED

**President**—Merrill R. Tabor, vice-president and secretary Berkshire Life.  
**1st vice-president**—Charles B. Laing, vice-presidential Prudential.

**2nd vice-president**—Hess T. Sears, administrative vice-president Equitable Life of Iowa.

**Directors**—Hilton E. Campbell, vice-president Republic National Life, James B. McIntosh, administrative vice-president New England Life, and W. T. Warren Jr., three years each. J. D. Milne, associate secretary and comptroller Canada Life, two years, to fill out the remainder of the term of the late Lloyd M. Dagliesh, vice-president and secretary of London Life.

invests the whole dollar—2½ times as much—some other way, he will still face the hazards that life insurance alone removes; only life insurance can capitalize his inflation-proof asset; he can make this all-inclusive investment in any denomination and on his own terms.

Unless the life insurance industry continues to create the climate within its companies of individual opportunity through individual expression and participation, "we run the risk of losing out in this nationwide competition for new, young leadership talent," said Clarence J. Myers, chairman and president of New York Life.

Mr. Myers listed two aspects of the manager's principal duties: The manager must be an idea man, and he must get people to carry out ideas so that the ideas may become realities.

"We in the life insurance business have made much worthwhile progress in the first area," he said, "but I am not sure if we have made proportionate progress in the second of the two managerial tasks I've mentioned: getting people behind ideas. I don't believe we have fully mobilized the human creative energies available to us in the so-called office end of our business."

Two possible approaches toward the management of people are what Mr. Myers referred to as "management by edict" and "management by consent."

"The attitude underlying management by edict is that the less you tell people the better," Mr. Myers continued. "It says, in effect 'do as you are told and no nonsense please.' I don't suppose I have to tell you that man-

"We like to be in on a program—from its inception, if possible. We like to see the development of a plan and to have a hand in its formulation. We tend to respond to the challenge that any given problem presents. Psychologists tell us that the need for achievement is as strong in people as the need for food and drink."

Mr. Myers said management by consent requires the manager, in addition to being an idea man, to be a salesman of his ideas as well. One of the most important aspects of planning in business is mobilizing intelligent and enthusiastic support for an idea.

"To my way of thinking," he said, "there is no substitute for the intelligent and enthusiastic support of a well-informed, well-motivated team of men and women working together in a spirit of cooperation."

"To the extent that the individual within our business is encouraged to realize his greatest potential, life insurance itself will realize the tremendous opportunities that lie ahead."

Peter McDonald, vice-president and secretary of Crown Life and former LOMA president, advised insurance executives to take every opportunity to improve their knowledge of their company's over-all operations. He addressed the luncheon in honor of the 1960 LOMA Institute fellows during the LOMA meeting.

"The executive of tomorrow must be the flexible employe of today," Mr. McDonald declared. "Be prepared to accept the challenge of new and different work assignments. Management training demands that the individual have a comprehensive knowledge of many phases of our business—endeavor to anticipate the needs of management by broadening your knowledge now."

A trend that will require all future senior officers to complete their LOMA fellowship requirements is developing in some companies, Mr. McDonald stated. Such companies would have a tremendous advantage in the industry's highly competitive market.

## Must Know What Goes On

Mr. McDonald advised every employe to keep abreast of new developments in the insurance industry "if he is to grow with it." This is particularly important with the advent of automation.

Imaginative and constructive thinking are incalculable assets, the speak-

er said. He suggested that they be applied to each task the individual is confronted with.

Roy A. MacDonald, LOMA managing director, emphasized the past and the expected growth of the association. It began the 1950s decade with 225 members and now has grown to 386 companies.

## More Than Numbers

But sheer numerical growth does not accurately measure LOMA's progress, he said. He mentioned the continually increasing participation in LOMA activities by members as being of far greater importance. The 1950s saw an increase in the number of association standing committees from 11 to 17. Two additional standing committees were added during the past association year.

In the LOMA Institute, in 1950 fewer than 5,000 students sat for some 8,000 examinations. Last spring more than 12,000 students took 21,000 examinations.

George N. Watson, group vice-president of Crown Life, called for the use of a standard scale of commissions for the writing of group life insurance.

"I believe the best practice is to use a standard scale of commissions which applies in every instance, and to require that every quotation provide for the payment of the total amount of commission provided by such scale," he said. "Adherence to this principle will prevent discrimination against companies because of the commission treatment accorded their agent and will prevent the abuses of direct writing which is of such concern to life underwriters."

## Mortality Table Means Work

The adoption of a new mortality table by the life insurance industry will involve a considerable amount of work and expense, said Charles M. Sternhell, vice-president and actuary of New York Life, discussing the 1958 CSO mortality table.

"When companies face a major revision of this type," Mr. Sternhell predicted, "many of them will probably take advantage of the opportunity to review all aspects of their product. Contemplated changes in product or premium rates, which may have been deferred until the next general revision of policy forms, or the next revision of the rate manual, will probably be introduced simultaneously with the adoption of the new mortality table."

## Many Changes Foreseen

"One of the major effects of the introduction of the new mortality table may well be the auxiliary revision of many aspects of the ordinary life insurance product line. . . .

"It may not be an 'ideal' mortality table for any one particular company because it has been designed to be used by all of the different types of companies operating in the United States. It will, however, eliminate for some years in the future many of the problems that developed as the 1941 CSO table became less and less representative of current mortality experience. The 1958 CSO table gives the industry a much needed up-to-date mortality standard that will be of great value from a public relations standpoint."

**Prudential's** projected Boston center moved a step ahead when the Massachusetts supreme court approved of the conditions in a bill designed to assure the center against a prohibitive tax for the next 40 years. Prudential is holding up work pending such assurance.



PICTURED LEFT

CHARLES H. BADER  
Administrative Vice President  
Interstate Life & Accident Insurance Company

"Counting time is not so important as making time count" might well be the motto of the Life Office Management Association and its distinguished list of presidents. Though relatively young in years, LOMA has, since its inception in 1924, consistently "passed the test of time" in meeting the challenge of a growing and complex insurance industry. Spearheading its many worthwhile activities have been "time-tested" executives such as Charles H. Bader, past-president, and Merrill R. Tabor, newly elected president. Because of their efforts, and those of their worthy predecessors, LOMA has provided welcomed leadership through exchange of experience and research of its member companies and the development and administration of an educational program for life insurance office employees. We salute LOMA for its outstanding contributions to our industry and for its conscientious leaders — past, present and future — with special recognition for our own Charles Bader's dedicated service to the Association during 1959-60.

PICTURED LEFT

MERRILL R. TABOR  
First Vice President & Secretary  
Berkshire Life Insurance Company

# LOMA is time tested

Interstate  
Life & accident insurance company

HOME OFFICE • CHATTANOOGA, TENNESSEE

Serving and protecting millions since 1909



## N. Y. vs Conn. General Argument Given

(CONTINUED FROM PAGE 1)

tutional principles—state or federal—requiring similar statutory and administrative treatment of those properly coming under two separate and distinct categories.

"Aetna and Travelers acquired their fire and casualty subsidiaries more than three decades prior to the 1939 recodification of the insurance law, as part of which section 193, prohibiting life insurers from doing certain types

of business, was originally enacted. Clearly, then, those two companies belong in a category separate and apart from appellant and the three score or more other life insurers in this state, none of which except appellant has ever even attempted to acquire a fire or casualty subsidiary.

"In any event, it is immaterial whether or not section 193 is properly viewed as having retroactive effect, requiring relinquishment by Aetna and

Travelers of their long standing subsidiary holdings. Assuming arguendo that the statutes should have been so construed, surely appellant may not become the vicarious beneficiary of this alleged error, and itself make the prohibited acquisition. To permit such a result would bind the administrative officials to a course of perpetual error—a debilitating consequence consistently rejected by the courts.

"The superintendent is under a duty to enforce the insurance law as it is presently written, rather than super-

impose one error upon another, to the detriment of the public interest.

"Appellant also decries the alleged denial of equal protection claimed to result from the continuing licensing of fire and casualty insurers possessing life subsidiaries. Here again it fails to appreciate that fire and casualty companies, as do Aetna and Travelers, constitute a class of insurers distinct and separate from that to which appellant belongs—and equal protection arguments are consequently irrelevant. "The due process argument advanced by appellant is equally devoid of merit. Appellant cannot seriously contend that the state is powerless to prescribe the standards a foreign insurer must meet if it is to be licensed to do business here. One condition embodied in such standards is the prohibition of section 193.

"If appellant should choose not to subscribe to our statutory standards, it is only its privilege to do business in New York which would be affected. Without a license to operate here, assuredly appellant may nonetheless continue its insurance activities outside of New York. That the insurance law, and the superintendent's action in accordance therewith, will affect the activity of a foreign corporation within this state, is of no legal significance.

"We fail to appreciate the intended import of appellant's discussion of the Oct. 17, 1957 date of the superintendent's letter to foreign and alien insurers, misleadingly characterized as a 'cut off' date. The superintendent in that letter merely stated that 'in hereafter acquiring by stock ownership the control' of a fire and casualty insurer, a life insurance company would be violating section 193. Because the superintendent spoke prospectively, appellant would have this court infer that prior to the letter such acquisitions were permissible. This the record refutes beyond the need of further amplification, other than to note that the language of the letter was entirely consistent with the fact that no life insurer (other than Aetna and Travelers, long since) had yet attempted or accomplished the type of acquisition in issue, and it was therefore future action with which the superintendent was concerned.

"Appellant lament is plainly misdirected. The applicable statutes, as we have seen, may not be availed of by appellant to justify the relief requested. Obviously, it is the province of the legislature, and not of the courts, to determine whether and when statutory rights or privileges should be enlarged or diminished. Until and unless the legislature should see fit to amend the insurance law to encompass the proposed stock acquisition, appellant (whose many life insurance colleagues in this state do not share its dilemma) must resign itself to compliance with existing law."

Fine prospects saw this in **TIME** and **Newsweek**

**Solo...**

**alone,**

**but not unguarded**

It's a great day for a boy when he solos. Still, he's glad Dad's there just in case.

Dad himself rides solo as the breadwinner of the family—but he, too, has a "just in case" friend standing by. His dependable friend is the Connecticut Mutual Life man who helped tailor a life insurance plan precisely for him.

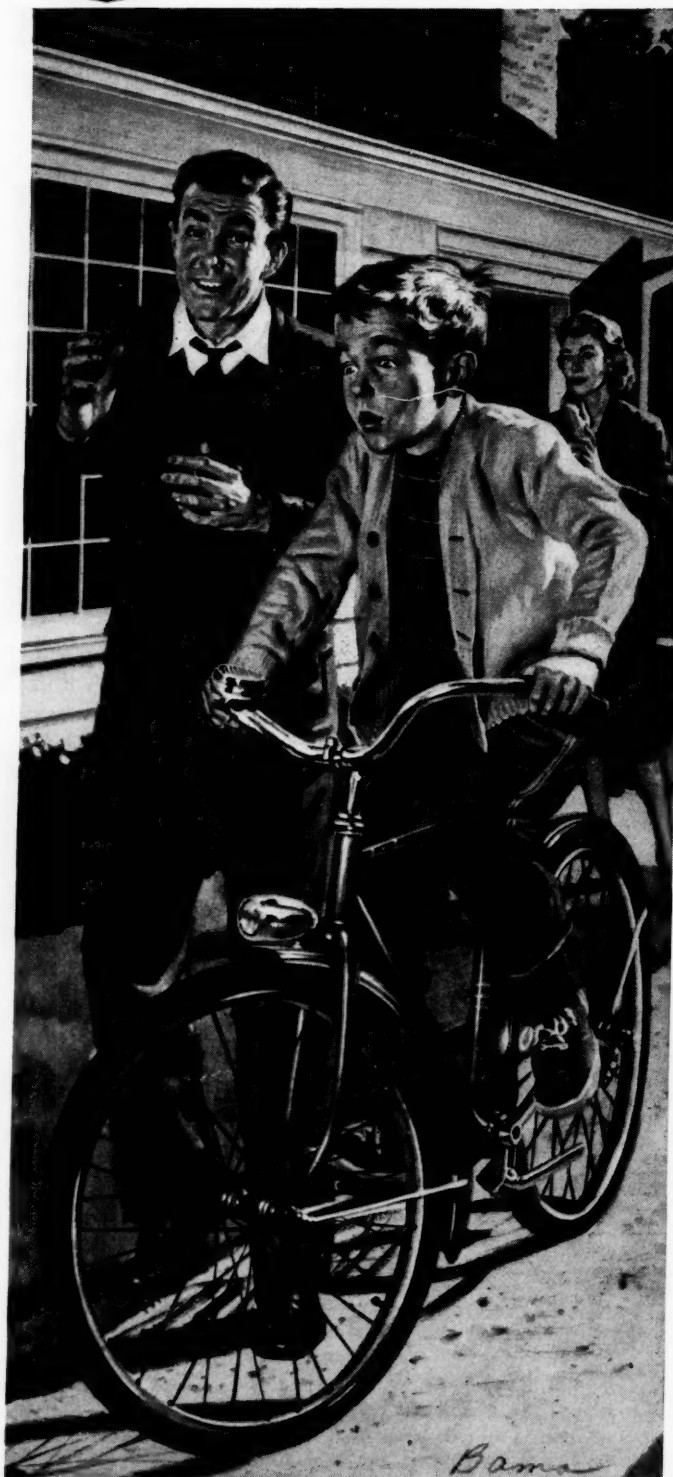
A CML man can help you, too, plan for family security, education and retirement. He can help you select the *right* combination of policies and settlement options from the hundreds CML offers. This way you'll get the most for the dollars you invest in life insurance.

So talk with your CML man. He can help you answer that important question, "How much and what kind of life insurance should I own?"

### In business 114 years

CML, with offices in more than 200 cities throughout the country, is owned by its policyholders who enjoy substantial dividends, and is noted for high income to beneficiaries and flexible policy contracts.

**Connecticut Mutual Life**  
INSURANCE COMPANY • HARTFORD



Close to ten million people were exposed to this appealing advertisement which originally appeared in full natural color. Hundreds of thousands of them will remember this message about the value of the services of the CML man.

## A Service Guide

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## Schrivver Warns Of Government In A&S

(CONTINUED FROM PAGE 2)

them have no business on the market. But in our eagerness to sell something, we have served the public badly," Mr. Schriver lamented.

He recounted how a business woman he knew had had a very expensive operation and a "whopping" hospital bill—only to discover that her policy, on which she had been paying substantial premiums for years, provided \$24 a week for loss of time from work.

"Her policy was worth the money, but it was no good to her, and she is sure that all insurance companies are deadbeats and that insurance is a racket. That experience can be multiplied over and over again, and every time it happens we get a black eye."

"We have a common problem and that is the public interest. Unless we can find a way to deliver our indispensable service to the public efficiently, adequately and economically, then that service will be taken over by government. I still believe that we are equipped to do the job better than the government can do it, but that isn't enough. We have to make the public and the politicians believe it, too. And the only way we can make them believe it is to prove it," Mr. Schriver said.

Samuel C. Cantor, 1st deputy superintendent of New York, told the association's members that on the basis of his department's examinations, life companies, with rare exceptions, are prompt, fair and equitable in their payments of policy benefits.

He said that while his department deals with problem cases—resisted, rejected and compromised claims—"It is important to note," he said, "that such cases constitute only a very small percentage of the total benefits paid, particularly in death claims."

### Education Program

A new education program, designed to prepare young men and women for life insurance and A&S claim work, was introduced at the meeting by Walter T. May, president of the association and claim secretary of Massachusetts Mutual.

Mr. May said that the special committee responsible for designing the course, which was headed by William J. McBurney, executive general manager of Prudential, contemplated that students would be required to complete a minimum number of Life Office Management Assn. examinations to obtain some background on insurance in general. After that a course developed by the claim association would be offered to personnel of member company claim departments.

Charles H. Schaaff, executive vice-president of Massachusetts Mutual, predicted annual sales of life insurance will reach \$200 billion in the 1960s. Among other predictions for the 1960s, Mr. Schaaff said he foresaw a tremendous growth of group business; management will find it difficult to retain the loyalty and cooperation of their field forces if they do not underwrite control of group business; growth in pension business; the need for more and better trained manpower, and a talent hunt for personnel to man electronic equipment.

At the close of the meeting, a solemn tribute was paid to the late Louis L. Graham, former vice-president of Business Men's Assurance, for his more than three decades of service to the association as its president in 1927-28 and its secretary since that time.

## Order Dissolution Of Two Benevolent Assns. In Mo.

ST. LOUIS—Circuit Judge Aronson has ordered dissolution of National Benefit Assn. and Home State Benevolent Assn. and directed that they surrender their charters and pay a fine of \$500 each.

The action arose from a suit filed May 9 by Attorney General Dalton of Missouri who charged that the associations, chartered as non-profit, sold insurance without a license. The defendants did not contest the suit. They

had been restrained from doing business by a temporary injunction issued last May.

The state charged that from the date of their organization, the two benevolent associations had wilfully violated a law by engaging in the business of insurance without a license.

## Indianapolis Life Sales Up

The Indianapolis Life field force during August recorded a 22% increase over August of last year. Sales for the first eight months were a record 15% ahead of the previous year.

## North Missouri Assn. Elects Three Officers

Officers of the North Missouri Assn. of Life Underwriters elected for 1960-61 are W. Clyde Kirks, Metropolitan Life, president; John Flanagan, Reliable Life, Kirksville, vice-president, and Alfred S. Cooley, New York Life, Kirksville, secretary-treasurer.

Sunset Life reports that issued and paid business in August was 64% over the same month last year and represents a record high for the company.

Report from Chicago . . .

**Dynamic Growth...**

**UP 65 Positions†**

†Authority: The National Underwriter. Based on 717 Companies Reporting

Ranking	Company	Total Insurance In Force \$
99 98	Savings Bank, Mass. Group	54,490,686
100 101	Bankers Life, Neb.	673,840,980
101 166	North Amer. Co. for L., A. & H. Group	58,654,521
103 100	Security L. & A., Colo. Group	367,489,000
104 99	West Coast, Cal. Group	247,991,502
106	Columbian Natl., Mass. Industrial Group	363,667,415
		11,966
		335,273,071

**Growth and progress . . . dramatically portrayed by The National Underwriter's latest rankings of 717 companies—North American up 65 positions over the previous year!**

This is a typical North American *action* story—a continued story. For instance: this year North American's Ordinary life sales (exclusive of group or reinsurance) were up 250% over the first four months of 1959.

At North American *Total-Quality\** has been fused with modern professionally tested *total-merchandising*. Together they command the authority that wins sales for North American fieldmen.

Whatever the aim may be in life—or A&H sales—The North American's positive performance spells *success!*

*\*Total-Quality is the mark of distinguished products by North American since 1886.*

The Since 1886

**NORTH AMERICAN COMPANY**

For **LIFE, ACCIDENT AND HEALTH INSURANCE**

209 SOUTH LA SALLE STREET • CHICAGO 4 • ILLINOIS

Operating in 48 states and District of Columbia Now over \$700,000,000 in force

# LAA Excellence Awards Given To 56 Companies

Ninety-nine awards of merit won by the advertising, public relations and sales promotion materials of 56 life companies were announced at the annual meeting of Life Insurance Advertisers Assn. held at New York. Richard A. Chatfield, director of sales promotion of Continental Assurance

and chairman of the LAA exhibits committee, said that the number of companies entering materials was the largest in LAA history.

## Material From Foreign Members

The 1960 exhibits include material produced by seven associate member companies in Denmark, Australia, Bel-

gium, Japan, the Philippines and South Africa.

Twenty-eight men and women prominent in advertising, public relations, sales promotion and life insurance sales work judged the materials and made the awards. There were 55 awards to companies in the billion or more ordinary in-force category, 23 awards in the \$400 million to \$1 billion category, 13 in the \$150 million to \$400 million class and eight in the under-\$150 million category.

Awards were made in 16 categories. Recipients and categories were:

## MATERIAL TO MOTIVATE AGENTS

All American Life & Casualty  
Bankers Life of Nebraska  
Interstate Life & Accident  
Manufacturers Life  
Metropolitan Life  
New England Life  
New York Life  
Ohio National Life  
Security Mutual of New York  
Southwestern Life  
Sun Life of Canada  
Travelers

## SALES AIDS

American National  
Business Men's Assurance  
Fidelity Bankers Life  
Fidelity Mutual Life  
Imperial Life of Canada  
John Hancock  
Massachusetts Mutual  
Metropolitan Life  
Midland Mutual Life  
Mutual Trust Life  
Occidental of California  
Ohio National Life  
Security Benefit Life  
State Mutual Life

## PRESTIGE AND GOOD-WILL BUILDERS

National Life of Vermont  
Travelers

## RECRUITING MATERIAL

Jefferson Standard Life  
Lincoln Liberty Life  
Loyal Protective Life  
Metropolitan Life  
New England Life  
Security Mutual of New York

## DIRECT MAIL

Home Life of New York  
Midland Mutual Life

## POLICYHOLDER MATERIAL

Union Central Life

## BROKERAGE MATERIAL

Berkshire Life  
Connecticut General Life  
Continental Assurance

## COMPANY FIELD MAGAZINES

Bankers Life of Nebraska  
Business Men's Assurance  
Connecticut Mutual Life  
Federal Life  
Jefferson Standard Life  
Life of Georgia  
Massachusetts Mutual Life  
New England Life  
Peninsular Life  
Southland Life  
Washington National

## EMPLOYE RELATIONS

Continental Assurance  
Massachusetts Mutual Life  
Southland Life

## NATIONAL PRINTED ADVERTISING

Connecticut General  
Continental Assurance  
Gulf Life  
John Hancock  
Life of Virginia  
Metropolitan Life  
Pacific Mutual Life  
Prudential

## REGIONAL PRINTED ADVERTISING

Durham Life  
Imperial Life of Canada  
Southwestern Life

## INSURANCE JOURNAL ADVERTISING

Employers' Life  
General American Life  
John Hancock  
Midland Mutual Life  
State Farm Life

## PUBLIC RELATIONS

Connecticut Mutual Life  
Equitable Society  
Liberty Life  
Lincoln Liberty Life  
Manufacturers Life  
Ministers Life & Casualty Union  
New York Life  
Security Benefit Life

## GROUP COVERAGE

All American Life & Casualty  
Bankers Life of Iowa  
London Life  
Security Benefit Life  
Western Life

## PERSONAL A&S

Continental Assurance  
Occidental of California  
Paul Revere Life  
Security Benefit Life  
Security Mutual of New York  
Western Life

## ANNUAL REPORTS

Connecticut Mutual Life  
Equitable Society  
Fidelity Bankers Life  
John Hancock  
Lincoln National  
London Life  
Midland Mutual Life  
Occidental of California  
Pan-American Life  
Southland Life

## No. Am. Life, Toronto.

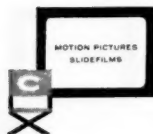
## Building New Home Office

North American Life of Toronto will erect a new home office in downtown Toronto immediately north of its present site.

Construction will begin in November of the 10-story, 257,000 square foot building. Estimated cost is some \$6 million, with the company occupying more than half of the total available space. Completely air-conditioned, the building is expected to be completed in 1962.

# Step up YOUR SALES, SALES TRAINING, RECRUITING PROGRAMS WITH

"One-stop" custom produced A-V film packages including lightweight portable projectors



We are specialists in creating and producing films for the Insurance Industry. Colburn Motivation Presentation films, produced for America's leading insurance companies, have aided in the sale of well over \$1 billion in insurance. Each of these successful films has been individually created to meet the specific requirements of our insurance company clients.

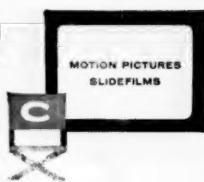
We would welcome the opportunity to discuss, at no obligation to you, how our experience in the insurance field and our facilities can assist you in developing your Audio-Visual program. In addition to experienced counsel, we provide creative script development and writing... production of both picture and sound under imaginative directors... on location and in our own studios. For sound slidefilms we offer a particularly attractive complete A-V film package, including a newly designed, lightweight portable projector, at a price that will mean important savings to you. To learn how we may serve you, WRITE OR TELEPHONE.

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Our Suite  
ALC Meeting  
Edgewater  
Beach Hotel  
Oct. 10-14





## Magnusson Explains Minn. Position On Standard Oil Plan

The Minnesota department's position on the insurance program offered by Standard Oil of Indiana has been explained by Commissioner Cyrus Magnusson after inquiries from a number of insurance groups and individuals. The department has found nothing improper with the Standard Oil operations, he declared.

Speaking at the annual meeting of Minnesota Assn. of Independent Insurance Agents, Mr. Magnusson pointed out that offering credit life and disability coverage to purchasers of a product at no extra cost is permissible as group insurance because the buyers are bona fide debtors of the master policyholder. "As such, they are eligible for group credit life insurance because a legal liability for payment exists between the buyer and the seller." Some people making queries have contended that credit life may be sold only in connection with a loan. "Actually," he said, "group credit life insurance is authorized whenever there is a legal liability, whether it be as a result of a cash loan or as a result of a person receiving a service or purchasing a product."

He said there is no Minnesota sta-

tute prohibiting the master policyholder from absorbing and paying for the entire cost of such coverage, and he said he was certain no other state has any such prohibition. Lending institutions and employers often furnish coverage at no specific cost to their debtors or employees. "Admittedly, cost for such coverage may be loaded into the interest charges or the selling price of the product or service, but the phrase 'no extra cost' is by statute legal and correct, because no specific insurance premium charge is made against the debtor. This operation, therefore, is a normal and accepted group credit life insurance program.

### Only Offering a Service

Mr. Magnusson expressed also his opinion on the travel accident policy issued to Standard Oil credit card holders on a "pay later" basis. It has been alleged that Standard Oil is engaging in the insurance business. Emphasizing that the Minnesota department had carefully reviewed the entire operation before approving it, he said the basic issue is whether Standard Oil is soliciting insurance or offering a service. "It is the absolute opinion of the Minnesota insurance department that only a service of billing and collection is being offered. The advertising clearly states that insurance is being sold by the insurance company. The advertising contains the name of a licensed agent. Renewability provisions are properly shown, and ex-

clusions and limitations are reflected as by law.

"The Standard Oil Co. receives an administrative fee for performing the billing, accounting, collection and mailing services. The fee was found to be reasonable and the insurance company is paying for services that they would otherwise have to perform themselves," he said.

### Is Nothing New

This type of operation is nothing new, Mr. Magnusson pointed out. Lending institutions for many years

and mutual funds more recently have offered an insurance premium collection service for debtors and investors. Unions, cooperatives and trust funds serve as billing and collection agencies for group, franchise and individual programs.

### Available To Others

"In addition, I wish to state that this travel accident policy is available to persons who do not hold a Standard Oil credit card. Also, the premium for the insurance when included in a credit card statement is separate and labeled as such," he said.

"Tenth anniversary today, Al. We sure owe our reinsurer a vote of thanks!"



"I agree, Vic. North American Reassurance has joined in building our assets and 'in force' in so many ways."

"Right—and in some ways you'd never think of."

"Like the way their advice helped stabilize the persistency level of our ordinary life business... and how their advice on policy loans has

turned out to be sound from both the financial and public relations angles."

"More than that—they deserve a lot of credit for the efficiency of our data processing, and the economy of our company car expense and rental procedure."

"And what I like most is their attitude. They're always willing to help, whether from headquarters or their regional offices. They really rate our thanks."

"You bet... they help keep this life company lively!"

Two excellent descriptions of services available from life reinsurers are yours for the asking. One is an article on life reinsurance services in general, by Assistant Vice President Burr D. Dutcher of North American Re, and the other our own booklet outlining the services of North American Re in particular, called "Reinsurance Exclusively." Simply address:

## NORTH AMERICAN REASSURANCE COMPANY

161 East 42nd Street, New York 17, New York

### Regional Offices

230 North Michigan Ave., Chicago 1, Ill.  
1509 Main Street, Dallas 1, Texas  
400 Montgomery St., San Francisco 4, Calif.

### Reinsurance Exclusively

LIFE • ACCIDENT & SICKNESS • GROUP

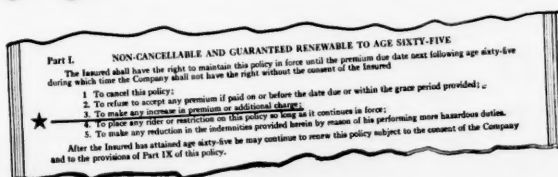
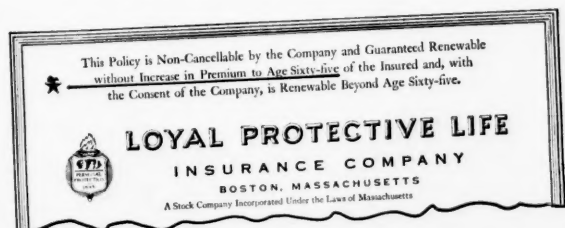


In the Anchell-for-trustee headquarters during the NALU meeting. From left: Arthur R. Kapner, Connecticut Mutual, Albany; Harry Phillips III, Penn Mutual, New York City, and Harold Lowenheim, Home Life of New York, New York City.



## Hallmarks of Quality

(On page 1 of every individual loss-of-time policy)



★ **This guarantees the other guarantees!**

Expansion program provides openings for qualified General Agents in selected areas.

**LOYAL PROTECTIVE LIFE INSURANCE COMPANY**  
BOSTON 15, MASSACHUSETTS



### Ga. International Writing Guaranteed Issue For 10

Georgia International now will write guaranteed-issue policies on groups of 10 or more lives. Group members are not underwritten individually but all members are subject to five specifications:

A certain percentage of members of the group must participate. For example, in a group of 10 to 24 persons, 90% must be willing to participate.

The formula for determining the amount of insurance on each member

is designed to relate to either the salary, the number of years of service, the job classification or a flat amount.

A maximum amount of insurance is placed on the life of any member of the group under consideration. No one more than age 65 will be considered. The policy is permanent insurance. Term riders can be added only on evidence of insurability.

**Equitable Life of Iowa** reports its August production of new paid ordinary set a company record—\$14,174,655.

### American United Shows Sales Growth, Ad Plans

American United will conduct a nation-wide advertising campaign beginning next March 11 with the first in a series of ads in the Saturday Evening Post. The company has had sales of over \$250,000 in the first eight months of 1960, with both reinsurance and direct business up 11% over 1959.

Directors of the company have voted to increase retention on one life from a maximum of \$100,000 to \$150,000 for policies issued on and after Sept. 3.

### 3 New Men On NALU Board Of Trustees

WASHINGTON—Three newcomers are serving on the NALU board of trustees as the result of the election at the annual convention here. All are agents. They are:

Charles Anchell, New York Life, New York City.

Clyde A. Connaughton, Metropolitan Life, Shreveport, La.

Joseph B. Davis, Home Life of New York, Detroit.

Reelected to the board are:

Robert S. Clayton, district manager Liberty National Life, Mobile, Ala.

Robert W. Frye, agent of Northwestern Mutual Life at Denver.

John Z. Schneider, manager of Connecticut General Life at Baltimore.

R. Edwin Wood, agent of Phoenix Mutual Life at San Francisco.

All trustees were elected for two-year terms except Mr. Connaughton, who was elected for one year to fill out the remainder of the term of David M. Blumberg, Massachusetts Mutual, Knoxville, Tenn., whose election as secretary was reported in THE NATIONAL UNDERWRITER of Sept. 24.

There was no contest for any of the other offices: president, William E. North, New York Life, Evanston, Ill.; vice-president, Robert L. McMillon, Business Men's Assurance, Abilene, Tex.; treasurer, Louis J. Grayson, Travelers, Washington, D. C., (re-elected).

### Troth Associate Editor Of New Jersey Newspaper

Paul H. Troth, former assistant vice-president of New York Life, has been appointed associate editor of the Plainfield (N.J.) Courier-News, a member of the Gannett newspaper chain.

Mr. Troth's first connection with the insurance business was on the staff of the Eastern Underwriter. Later he was with Home Life of New York in charge of advertising and sales promotion before going to New York Life to handle sales promotion when that company entered group insurance.

### Women Agents To Meet

League of Life Insurance Women will hold their first meeting of the administrative year, Oct. 5, at the Lincoln office of New York Life, 355 Lexington Avenue, New York. Speaker at the meeting will be Donald W. Smith, general manager of New York Life. The title of his speech is "Two Pocket Books."

### National Reserve Life Provides Life Cover For Sir Hillary

Life coverage on Sir Edmund Hillary and his staff of 17 physiologists, glacial experts and geologists as they explore the Himalayas in search of, among other things, the "abominable snowman," will be provided by National Reserve Life of Topeka.

### MANAGEMENT A CONSULTANTS

### O'TOOLE ASSOCIATES

Incorporated  
Management Consultants to  
Insurance Companies  
Established 1945  
220-02 Hempstead Avenue  
QUEENS VILLAGE 29, NEW YORK

## Mr. Agency Builder:

## STRIKE IT RICH!

You can "Roll a Strike" every time with Columbus Mutual's Agent's Contract, Induction Program, and Sales Packages—because your agents make money and you make money with:

- Top Commissions on Leading Par and Non-par Policy Contracts.
- Vested Renewals.
- Higher Lifetime Compensation in Service Fees.
- Non-Contributory Pension Plan.
- Free Group Life Insurance.
- New Induction Program—completely flexible for new agents, established producers, and brokers alike.
- Profitable, success-proven Sales Packages.
- Practical, easy-to-use Visual Presentations.
- Streamlined Rate Books for Maximum Production in Minimum Time.
- Unexcelled Aut-O-Check and Check-O-Matic premium payment plans.



## FOR YOU

Well-balanced General Agent's Contract providing liberal overwriting and liberal expense allowance.

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Friendly, effective Home Office assistance to help you in your Recruiting, Training, and Agency Building Program.

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# Home Office Changes

## Prudential

E. M. Kelly, executive director of agencies of the northeastern home office at Boston, has been appointed in that capacity in the western home office at Los Angeles, where he will supervise ordinary agency operations in the 13 western states, including Alaska and Hawaii. He succeeds H. E.

Wilkinson, who becomes manager of the Hawaiian agency.

## Bankers Life & Casualty

Charles McKillip, promotion specialist for Bankers L.&C., has been named supervisor of the reorganized sales promotion section and will be responsible for promotional programming and implementation of both direct agent and general agency companies in the MacArthur group. Mr. McKillip joined Bankers L.&C. in 1951 in the advertising department. In 1958 he was advanced to promotion specialist.



Charles McKillip

## Equitable Society

R. G. McCullough, associate group underwriter, has been appointed assistant to the president, to succeed T. F. Murray, who returns to his position as manager of the industrial properties division. Mr. McCullough is a fellow of Life Office Management Assn. Institute.

The appointment as assistant to the president is rotated each year among candidates specially selected for the post.

## California Life

Howard Hendry has been named assistant director of agencies.

**LINCOLN INCOME LIFE** has named as regional vice-presidents W. H. Dobbs for Texas and Oklahoma, Wood Rose for the south, and G. K. Seitz for Kentucky. Mr. Rose has been Oklahoma manager, Mr. Seitz Kentucky manager and Mr. Dobbs Wichita Falls, Tex., manager.

**AMERICAN HEALTH**—D. O. Smith has been appointed director of special programs, a new position. He has been with American Casualty, Colonial Life & Accident and Central Standard Life, and was chairman of the group insurance committee of Health Insurance Conference.

**FAMILY FUND LIFE** has elected Ted Willis vice-president and director of agencies and named J. Fraser Durrett a director. Mr. Willis has been superintendent of agencies with Southern Life. Mr. Durrett is executive vice-president and director of J. H. Hilsman & Co.

**FIRST NATIONAL LIFE OF DENVER** has made E. J. Huck Jr. chief underwriter. He is president of Colorado Society of Home Office Underwriters and was previously underwriting head of Western Empire Life.

**INDEPENDENCE LIFE** has named C. E. Gustafson public relations and advertising director. He has been with Occidental of California for the past four years.

**AVIATION EMPLOYEES GROUP** has elected T. O. English, treasurer of California Eastern Aviation, as treasurer-comptroller of Aviation Employees Life.

**PRAETORIAN MUTUAL LIFE**—J. W. Wyatt has been appointed head of the IBM tabulating department.



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## Changes In The Field

### Continental Assurance

Albert B. Morrison, resident vice-president, has been transferred to the regional service offices at Orlando, Fla., from which he will direct operations in Florida and Georgia. He served in the eastern department for 15 years, being head of the department for the past five years.

Edward N. Malaney Jr. has been

named superintendent of agencies and head of the eastern department. He has been in the eastern department for seven years.

### Equitable Society

J. B. Ramage, unit manager at Atlanta, has been appointed manager there to succeed H. C. Johnson, who has retired. Mr. Ramage is immedi-

ate past president and trustee of Equitable CLU Assn., was president and director of Atlanta Life Underwriters Assn. and president of Atlanta CLU.

### Life Of Virginia

J. W. Nash, group sales representative at Atlanta, has been appointed regional group manager for Texas, Louisiana and Oklahoma, with headquarters at the new group sales office in Dallas.

O. L. Wilson, manager at the Thomaston, Ga., district office, and Donald

Ward, of the Birmingham district office have been named manager and associate manager, respectively, at the new district office in Orlando, Fla.

### Lincoln National Life

R. L. Ranney has been named associate general agent of the company's J. P. Whiffen agency in Madison, Wis. He joined the Madison office in 1940. He is vice-president of Madison CLU chapter.

### Bankers Life Of Iowa

T. L. Corbin has been named group representative at Phoenix. He will be associated with Stanley L. Brotherton, regional group manager there.

### Franklin Life

J. L. Ruby has been promoted to general agent at Zionsville, Ind. He was district manager in west central Indiana.

### Golden State Mutual

J. N. Johnson, former district manager at Phoenix, has been transferred to Detroit to head one of the company's district offices. He is succeeded at Phoenix by C. W. Wilson, who becomes agent-in-charge.

### General American

K. W. Taylor Sr. has been appointed general agent at Nashville, succeeding J. E. Fly, who has retired. Mr. Taylor has been with Equitable Society.

### Aetna Life

B. A. Tharp, assistant general agent at Wichita, has been appointed general agent there to succeed the late V. B. Askew.

### Georgia International Life

E. W. Barr and C. L. Laakso have been appointed general agents at Richmond, and Corpus Christi, respectively. Mr. Barr was with Acacia Mutual Life and Retail Credit Co., and Mr. Laakso with Metropolitan Life.

### Paul Revere-Mass. Protective

T. I. White has been appointed training supervisor, with headquarters at Atlanta, for the southern region. He was formerly division manager for Prudential at Atlanta.

### Life & Casualty

J. N. Hannay, regional sales director in the southeastern division, has been promoted to district manager at Athens, Ga.

### Pilot Life

J. W. Coots has been appointed general agent at Fort Worth. He completed a training course in Pilot's management development program before being appointed to his new post.

### California Life

J. H. Stramler has been named agency director for southern California and Arizona at Los Angeles.

### Connecticut General Life

C. E. Baker Jr., senior brokerage consultant at Chicago, has been appointed assistant manager of the bro-

## ACTUARIES

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At a workshop session in Guarantee Mutual's board room during the June, 1960, Advanced School, agent R. M. Mirsky, standing left, makes a sales presentation to training director O. J. Surber. Seated around the table and taking notes for a critique later on are agents D. L. Leemon, L. T. Byers, T. S. Mitchell and B. C. Howard.

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Advanced School students in the June, 1960, session listen attentively to a lecture on Business Insurance in Guarantee Mutual's training room. In the foreground, left to right, are L. T. Byers, R. N. Bussard and L. W. Aspegren.

complexities of business insurance and estate planning become a real part of the Advanced diploma winner.

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Exec. Vice-Pres.

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erage agency there.

R. M. Nelson, company assistant at the home office, has been named assistant manager of the Hartford branch office.

P. T. O'Hara, an agent at the Garden City, N. Y., branch office, has been appointed staff assistant there.

### Prudential

H. E. Wilkinson, executive director of agencies of the western home office at Los Angeles, has been named manager at Hawaii. He succeeds G. A. Taggart, who has retired after heading the agency for 11 years. A 42-year veteran of the company, he will remain with the agency on a limited basis. Both men are CLUs. Mr. Wilkinson is a past president of Life Underwriters Assn. of Tulsa and of the Tulsa and San Diego CLU chapters.

Mr. Taggart, who grew up in the Hawaiian Islands, joined Prudential in 1918 as assistant superintendent of the life insurance department of Hawaiian Trust Co. agency in Honolulu. He spent 14 years with Prudential in Denver and seven years in St. Louis, returning to Hawaii as manager of the company's agency there in 1949. He headed the Denver life agents association and CLU chapter, as well as General Agents and Managers Assn., and was active in civic and insurance circles in St. Louis.

### Old Republic Life

Oscar Berman has been appointed a general agent at Chicago.

### FEDERAL LIFE & CASUALTY—

Calvin Sogge and E. B. Coy have been appointed special representatives for Michigan and Indiana agencies, respectively, to develop a life insurance sales concept to casualty agents of the Tower group.

### EDUCATORS INS. CO.—

Martin Averman has been appointed manager at San Fernando Valley; Richard Burlingame supervisor at Los Angeles; Eugene Caraker Washington manager

at Seattle; Cleve Halsey manager at Ventura, Cal.; Daniel Schwartz northern California manager at Oakland, and Robert Seidel manager at San Bernardino.

**NATIONAL BANKERS LIFE** of Dallas has appointed C. B. DuBose South Carolina manager at Florence.

**LINCOLN LIBERTY LIFE**—Samuel Collins Jr. has been named general agent at Rapid City, S.D.

### Life Of Ga. A&S Plan Is Guaranteed Renewable For Life, Has Weekly Premium

Life of Georgia has introduced an A&S policy which is guaranteed renewable for life and sold on a weekly premium basis.

Daily room and board benefits of \$4, \$6, \$8 and \$10 are provided. Maternity benefits are optional for issue ages 14 to 17, and are effective 10 months after issue. Accident benefits are effective from date of issue, illness benefits, after 16 days.

### Increased Risk Amount

The company also has increased the amount of risk it will assume under its "Cumulative Accident Protector" plan—a weekly premium non-cancellable accident policy—from \$2,000 to \$5,000.

### NAIC Credit Subcommittee To Meet At Chicago Oct. 12

The credit life and credit A&S subcommittee of National Assn. of Insurance Commissioners will meet at Chicago Oct. 12 to consider proposed amendments to the model credit bills. Joseph S. Gerber, Illinois director and subcommittee chairman, set the date for proposals to be submitted to him as Sept. 23.

**Oklahoma City Insurance Women's Club** held its first meeting of the new season with a luncheon meeting at the Biltmore Hotel.



Five new regional directors of American Society of CLU, elected at the meeting during the NALU convention at Washington, discuss the new CLU booklet, "Working Together for Professional Growth." From left, Francis W. Morley Jr., Associated Consulting Services, Chicago, midwestern region; Aaron C. F. Finkbinder Jr., Northwestern Mutual, Philadelphia, eastern region; E. Price Ripley, National Life of Vermont, Roanoke, Va., southern region; Lloyd Lafot, New York Life, Los Angeles, western region, and John K. Luther, Aetna Life, Hartford.

### C. E. Gaines To Address N. Y. City Assn. Oct. 6

NEW YORK—Charles E. Gaines, director of the Southern Methodist University course, will be the speaker at the New York City Life Underwriters Assn.'s opening educational meeting of the season, Oct. 6 in the east ballroom of Hotel Commodore.

Mr. Gaines believes mutual funds

have been getting an undeservedly big play, partly because many agents have forgotten the basic purpose of life insurance and how nothing else can solve man's problems of economic security. It is his belief that when life insurance is properly presented it is not in competition with mutual funds, common stocks or any other form of property, because it is designed for an entirely different purpose.



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## Editorial Comment

### Significance Of The Beers Report

Both for what it does and what it refrains from doing, the Beers group insurance committee report is of profound importance and significance.

To those in NALU primarily concerned about jumbo group, the report of this company-association committee may seem like a milestone on the road to nowhere. But jumbo lines are not the only problem in group, as the report demonstrates by its careful discussion of so many of these matters of which of course jumbo is one.

The report reflects the extreme difficulty of getting agreement from members representing so many divergent points of view. That the committee stayed with its assignment so long is a tribute not only to integrity, energy and good-will of its members but to NALU, whose dissatisfaction with the results of earlier conferences with a company group committee led to the appointment of the present "high level" group committee.

So it would appear that the present report can be taken as the very best combined thinking of a dedicated group of men earnestly seeking a solution to problems that NALU has urgently sought to have solved. This is important from the NALU standpoint, because in effect it says, "This is the very best we have to suggest," and then goes on to explain why. If NALU wants to accept the committee's ideas, it knows what they are. If not, it is free to take whatever next steps it feels to be in order, without feeling it should wait for further ideas from the companies' committee.

We believe that the most important and significant result of the report will not be intra-industry agreements to do or not to do certain things in the group life insurance business, nor even amendments to state laws covering group. We believe the main result of the report will be to focus a strong and steady spotlight on those group practices that are unsound from an underwriting standpoint, from the buyer's standpoint or from the agent's standpoint.

As a result of the Beers report, top managements—maybe even some boards of directors—are asking them-

selves, "Are we going to any of the extremes criticized in the Beers report? If so, are we really on sound ground in continuing these practices? Maybe we'd rather not make ourselves conspicuous in these particular ways." That is, the Beers report, along with the criticisms from NALU and some state groups, may well compress into a matter of months the process of self-analysis that a company might otherwise delay for years until the bad results began to actually hurt.

The same thing could well be happening that happened when financed insurance went to gaudy extremes. When financed insurance on the "minimum deposit" basis was going the strongest, with many agents selling only these plans and with many such policies being sold to people not in a high enough tax bracket to make them a good buy, the New York department investigated, held hearings and finally issued restrictive regulations.

But because of the attention focused on the situation, the spotlighting of unsound sales of minimum deposit

(sales to taxi drivers were always cited as examples), and the re-examination by issuing companies of their practices, the insurers themselves had pretty well curbed the excesses before the regulations were even printed. Yet without this fanfare and finger-pointing, it might have been years before these insurers took action.

The same sort of thing may well happen with respect to group underwriting practices of dubious soundness, even though no laws are passed. The Beers report, with its dispassionate weighing of the pros and cons of various practices, puts it squarely up to top managements of companies engaging in these practices: They can hardly let things go as they are and then later on tell themselves or their boards of directors, "Well, it was a pretty general practice," or "It seemed sound enough at the time."

That of course is particularly true where the questioned soundness affects the company rather than the public. If there is every chance of making money for the company out of a practice that may prove to be unwise from the buyer's point of view, the pressure is less strong. At the same time, it is those situations in which legislative remedies are most easily had, and in which educational efforts by competitors can be the most effective in getting potential buyers to consider more carefully the wisdom of a proposed purchase.

Since the NALU effort was started because of jumbo group, there is understandable disappointment on the part of the NALU group committee, headed by David B. Fluegelman, Connecticut Mutual, New York City, at the Beers committee's withdrawal of support from the 20/40 limit. Yet the reasons seem conclusive: Any limit that could be agreed upon would be so high as to constitute a target for group producers, thereby making jumbo group even more prevalent than it would otherwise become.

At the same time, the committee went on record against the type of group coverage in which one man or a favored few get group coverage clear out of proportion to their compensation. Whether the remedy would be worse than the disease, however, remains to be seen. If group amounts could only be commensurate with compensation, some firms would doubtless hold down the amounts on top executives and owners.

But suppose these top officials and owners want jumbo amounts so that they're willing to raise the amounts on the rank and file so as to make the top executives' amounts come within the rule? This could have a much more serious effect on the typical agent's market than just the jumbo amounts on a few upper-echelon officials to whom he has no entrance anyway.

It's not surprising that the Beers committee rejected the idea of curbing jumbo group by removing the present tax shelter from group coverage above some specified amount per life. Even NALU shrank from that approach, though it did take the step of refusing to combat any move that the taxing authorities might make in that direction.

As Chairman Fluegelman of the NALU group committee pointed out at the recent NALU convention, the Treasury Department is already looking into this aspect of group insurance and has displayed an interest in NALU's decision to be a non-combatant, so any action by the companies or NALU to initiate or support a change in the tax-exempt status of group premiums would appear to be superfluous.

All in all, the Beers report confronts NALU with a realistic, well-considered statement of the basic facts of life as they apply to group insurance.

The most obvious is that except in those situations where jumbo group can be shown to be unsound for the company writing it, the companies that want to write it are going to keep on doing so. Where the group is big enough, where the amounts are not distorted in favor of the favored few at the top, and where the insurer is big enough, no one has yet been able to assail the underwriting soundness successfully. Certainly nothing in the Beers report does so.

Hence, if it was not completely clear before, it certainly is clear now that anti-jumbo arguments based on such concepts as jumbo group's being destructive of the agency system or an invasion of the market for individual policies will continue to be disregarded by the same companies that are disregarding these arguments now.

Changes as respects jumbo group and other practices to which agents object may conceivably come about through persuading Congress or state legislatures that it is bad for the public and/or the companies, or by persuading the companies that in their own enlightened self-interest they should cease and desist. But without such reasons, we can think of no situation in which a company has quit doing something merely because NALU didn't like what it was doing.

The NALU group committee research project and the engaging of an expert to head it, which already has been authorized, is an encouraging indication that NALU has recognized the futility of expecting any great number of companies to accede to its wishes unless there is convincing evidence why those wishes should be deferred to. For this project the Beers committee report is an unexcelled starting point.—R.B.M.

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co.  
135 S. La Salle St., Chicago, Sept. 27, 1960

	Bid	Asked
Aetna Life	79	81
American General	30½	32
Beneficial Standard	13	14
Business Men's Assurance	41	43
Cal.-Western States	47	49½
Commonwealth Life	19	20
Connecticut General	356	362
Continental Assurance	149	153
Franklin Life	63	65
Great Southern Life	66	70
Gulf Life	17	18
Jefferson Standard	39	40½
Liberty National Life	58½	60½
Life & Casualty	16	17
Life of Virginia	52	53½
Lincoln National Life	203	209
National L.&A.	110	113
North American, Ill.	12½	13
Ohio State Life	41½	Bid
Old Line Life	55	60
Old Republic Life	19½	20½
Republic National Life	33½	35½
Southland Life	86	90
Southwestern Life	56	58
Travelers	79	81
United, Ill.	30½	32
U. S. Life	38	40
Washington National	43	46
Wisconsin National Life	29	31

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The National Weekly Newspaper  
of Life and A&S Insurance



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## Personals

T. P. Beasley, president Republic National Life, and Mrs. Beasley have made a gift of securities valued at approximately \$1 million to Texas Christian University's Brite College of the Bible for ministerial scholarships; Dallas Y. M. C. A.; East Dallas Christian Church; George Williams College of Chicago; National City Christian Church Corp., and Religious Heritage of America.



T. P. Beasley

Charles P. McCormick, a director of Massachusetts Mutual and chairman of McCormick and Co., Baltimore, has been named the 1960 recipient of the Henry Laurence Gantt Medal for "distinguished achievement in management as a service to the community," awarded by American Management Assn. and American Society of Mechanical Engineers.

W. T. Earls, Cincinnati general agent Mutual Benefit, had an unscheduled locker room chat with President Eisenhower while playing golf at Burning Tree course in Washington during the recent meeting of National Assn. of Life Underwriters.

Kenneth W. Mullins, general agency vice-president Washington National, expects to be able to return to his desk shortly, after undergoing surgery in Evanston (Ill.) hospital.

## Deaths

JAMES V. WHALEY, 57, retired senior vice-president and chairman of the executive committee of Franklin Life, died. He entered the business as an agent with Southland Life in 1925. He joined Great American Life of San Antonio as an assistant agency manager in 1932, and when that company was acquired by Franklin Life in 1940, he went to the latter's home office where he became director of agencies two years later. Elected to the board in 1944, Mr. Whaley became vice-president in 1946 and senior vice-president and chairman of the executive committee in 1957.



James V. Whaley

### Bankers Of Ia. Has Increase

New business of Bankers Life of Iowa during August amounted to \$34,099,134, an increase of nearly \$6 million over the same month last year. Of this total, \$20,234,496 was ordinary life and \$13,864,638 group. Total for the first eight months was \$283,888,218, with ordinary of \$182,510,634 and group \$111,377,584. At the end of August, total life insurance in force increased to a new high of \$3,708,590,377—\$2,037,946,119 of ordinary insurance and \$1,670,644,258, Group insurance.



Looking over the recently published CLU Chapter Guide: Officers of American Society of CLU following their election at Washington during the NALU convention: Frederick W. Floyd, Manhattan Life, Philadelphia, treasurer; Lillian G. Hogue, New York Life, Detroit, president; Herbert W. Florer, Aetna Life, Boston, vice-president, and James P. Poole, Estate & Pension Planning Co., Atlanta, secretary.

## Sees Aged Population As Minn. Oil Company Challenge, Not Problem Offering Insurance

Extension of average life expectancy should be regarded as an opportunity, John G. Miller, assistant director of the American Medical Assn. medical service department, told members of Illinois A&S Underwriters Forum at the September meeting at Chicago.

Mr. Miller, who is also a technical consultant for the forthcoming White House Conference on Aging, explained how the medical profession looks at aging in relation to attendant problems, including health care. Because of advances in medicine, the life expectancy will be raised from the present near-70 years to 100 someday, and this means the over-65 group will comprise a larger portion of the population. This represents a challenge, not a problem, he said.

### Realistic Attitude Needed

AMA precepts with regard to aging, he said, advocate stimulating a realistic attitude by all people toward aging, promoting health maintenance programs, extending methods of financing health care, and promoting leadership in community programs for the aged.

The AMA also recognizes the need for economic and social research involving geriatric problems. As an example of this need, Mr. Miller cited the argument of Forand bill proponents that 60% of the oldsters have an annual income of less than \$1,000, and, therefore, are in need of federal health assistance. Research would show that this figure is for individual, not family income. Furthermore, income is not the only factor—the fact that most senior citizens own their own homes should also be considered.

Mr. Miller decried compulsory retirement systems in industry as an imposed waste of experience and talent, and he espoused a flexible program whereby employees who desire to stay on would be retained as long as they fulfill requirements.

### Schedules Supervisors Conference

A conference for supervisors of Midland Mutual Life will be held at Columbus, Oct. 3-7. Subjects on the agenda will include recruiting, selection, quality business, pre-contact and basic training, planning, leadership and supervisory techniques.

George A. Bowen of Wanamaker, Ind., won "man-of-the-month" honors for leading the Midland Mutual field force during August.

## U. Of Mich. Study Indicates Over-Use Of A&S Insurance

There is a definite tendency for persons carrying health insurance to go to hospitals oftener and to spend more on medical care than those who are not covered.

This is the result of a study directed by James N. Morgan of the University of Michigan. The survey embraced a careful check of more than 1,000 families hospitalized during the year preceding the survey interviews, and was only a segment of a broader study of medical care being conducted by the university's bureau of hospital administration with the aid of a W. K. Kellogg Foundation grant.

Grover C. Wirick of the university, who analyzed the results, would not charge that there was actual "over-use" of facilities by the more heavily insured. He said: "In the absence of any absolute standard of proper medical and hospital care, it may just as well be that those who lack insurance coverage 'under-use' these services."

Mr. Wirick said some families with ample insurance may be more "health-minded" than others, while some families, such as young married couples, have an expectation of using medical care such as that exemplified by maternity benefits.

The survey indicated that those with adequate insurance are inclined to "go to a doctor at the first sign of trouble." Michigan families, on an average, made a health care outlay of \$290 yearly in 1958, while value of health care for insured families averaged \$336. Employer participation and welfare aid accounted for the differential.



The answer in part may be seen in the amount of life insurance he himself owns — More than \$100,000 — or in the amount he sells — over three quarters of a million dollars per year.

Who is the man? He is the composite of Fidelity's 75 leading producers for last year.



**The FIDELITY MUTUAL LIFE INSURANCE COMPANY**  
PARKWAY AT FAIRMOUNT AVENUE, PHILADELPHIA, PA.

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.  
THE NATIONAL UNDERWRITER—LIFE EDITION

## GROUP OPPORTUNITY IN CARIBBEAN AREA

Substantial U.S. Group-writer needs experienced group sales representative for well-established group office in Puerto Rico. Minimum two years successful group field experience, under age 40, preferably college graduate. Knowledge of Spanish helpful. Attractive salary and liberal incentive bonus arrangements; company car furnished; company-paid group and pension benefits. Qualified applicants should furnish personal resume with details of group production and recent photo to Box NY-39, National Underwriter, 17 John St., New York 38, N. Y.

## ACTUARY

### MODERN WOODMEN OF AMERICA, ROCK ISLAND, ILLINOIS,

has opening for young man, 27-35, who has actuarial background in life business, and has passed at least four actuarial examinations. This position offers a splendid opportunity for the individual looking to the future. Salary commensurate with background and experience.

MODERN WOODMAN has 220 million in assets and 645 millions insurance in force. Located in the heart of the middle west in an area with a population of approximately 250,000—175 miles west of Chicago. Excellent schools, colleges and the proper atmosphere for pleasant family life. Paid vacation, liberal hospitalization and retirement plans are designed for the convenience and security of our staff.

If you are looking for an exceptional opportunity and desire to get out of the large metropolitan areas, send resume to E. Lloyd Angle, Director of Personnel, Modern Woodmen of America, Rock Island, Illinois. Replies will be held confidential.

## Corporate Pension and Profit-Sharing Specialist

If you are experienced in all phases of the presentation, preparation, and qualification of Corporate Pension and Profit-Sharing Plans, a large Eastern Mutual Fund doing business nationally has a place for you on its staff.

Your work will supplement the activities of the Company's Sales Division in a field with unlimited opportunity. Salary open and commensurate with experience. Our staff knows of this advertisement.

Reply in confidence to Box T-80, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED Non-Can A&S Underwriter

Progressive and rapidly expanding A&S Department of medium sized midwest company needs capable experienced non-can Underwriter.

Good opportunity, excellent potential, attractive salary. New modern non-can program bringing in more business than present staff can handle. Send resume to: Box T-74, The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Illinois.

## ACTUARIAL OPPORTUNITY

The Equitable Life Insurance Company of Washington, D. C. has opening for an Associate of the Society of Actuaries or for a Student who will attain this standing in the near future. This is a splendid opportunity for obtaining wide experience in a company with a program of expansion. Responsibility will not be confined to one department and possibility of advancements are excellent. Present professional standing and business experience will be given appropriate recognition in salary scale. Send reply with outline of experience and personal information to:

Robert C. Bailey  
Vice-President and Actuary  
Equitable Life Insurance Co.  
3900 Wisconsin Avenue  
Washington 16, D.C.

## SALT LAKE CITY

### General Agency Opportunity

..... for qualified man with supervisory or agency management experience, proven ability to recruit, train and develop top quality life agents ..... large eastern mutual life company will welcome inquiries ..... special interest in men familiar with Inter-Mountain area ..... full resumes and letters detailing life insurance experience will be received in confidence ..... reply to Box NY-40, c/o The National Underwriter Co., 17 John Street, New York 38, N. Y.

## LIFE AGENCY MANAGER

Dissatisfied with slow underwriting and erratic company procedures. Am family man, 36, and C.L.U., 12 years with present billion dollar Ordinary Company. Can guarantee highest qualifications in any area. Looking for Agencies Superintendent or similar challenge. Will relocate. Write Box T-84, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## Cover Wide Range Of Topics At LAA Rally

(CONTINUED FROM PAGE 1)

stressed the place of institutional purpose, and made these proposals:

1. Establish a commission on institutional goals for life and health insurance to develop "a broad outline of institutional objectives and programs for the next decade and longer."

2. Life insurance should greatly expand its research efforts to learn more about the American family. "Let us promote, finance and participate in family study projects. Let us probe deeper into the fundamental nature of family risks. Let us seek knowledge that will help us better serve."

### Wedding Present Insurance

3. Promote the sale of "wedding present life insurance." "Is it possible that in May and June of 1961 you will want your national advertising to emphasize wedding present life insurance? Should your company equip its field force to contact uncles, fathers and fathers-in-law and present the advantages of life insurance as a wedding present? Doing so could result in the services of life insurance being properly introduced at the inception of

each new American family. This, in turn, could prove to be beneficial almost beyond our imaginations."

Speaking on "trifocal vision," LAA President Robert S. Kieffer, assistant vice-president of Metropolitan Life, said close vision will probably require less help than more distant vision, but even here it is possible for things to get out of focus. Techniques change. New ways of doing things are developed.

### Make Use Of Aids

"The prescription is simple," he said. "Make systematic and constant use of the aids available to us. They include such things as technical journals and articles, association meetings such as this, and friendly contacts with others in your own field of work."

More difficulty may be found in seeing clearly at a middle distance, which Mr. Kieffer defined as the area of company operations and objectives. Here knowledge of product can help. "There are only 14 CLUs in LAA. Even if we add the members who have had field experience or who have studied insurance in other ways, it is possible that many of us know less about insurance than we should," he said.

### Talk To Agents

"Second, seize every opportunity to talk to members of the agency force. Find out from them what they need to help them sell and what the public needs and wants in the way of protection. They can tell us a lot that we need to know in our work."

"Third, make it a point to find out about our company's objectives and consider carefully whether what we are doing is of maximum assistance in achieving those objectives."

"Fourth, when we are writing about a policy, discuss it with the actuaries. They can tell us what its major points are, how it provides an added insurance value for the purchaser, and even how it compares with similar competitive policies."

### Get To Know Others

"Fifth, widen our contact with people in other parts of the company. Find out what they do, why they do it, and how their work may be related to ours. In this way we will gain a broad picture of our company's organization and operations—and will have established helpful friendships in doing so."

Of the three areas of interest, the non-insurance world is by far the hardest to see clearly in terms of the advertising man's own work, said Mr. Kieffer. Changes are slow. A major change may be well on its way "before we realize it has even started." Nevertheless, it is becoming more and more essential to know what is happening around the world and in America—economically, socially and politically.

### Study Current Events

Study of current events helps, he said. Newspapers should be read with the thought in mind that the news may have an important relationship to the life business.

"We should make it a habit to read the business magazines and trade journals," Mr. Kieffer said. "These publications contain valuable information that might otherwise be missed. They can provide expert interpretation of what is happening and supply a range of viewpoint that can be of great value. Talk to people, both out-

## WANTED CALCULATIONS SUPERVISOR

Leading Consulting Firm in Employee Benefit Field requires an experienced man to manage its Calculations Department. Position involves supervision of calculations in connection with Pension and Profit-Sharing Plans. Life insurance company or consulting firm experience, plus college degree with strong mathematical background is a necessity. Person who has completed three to five actuarial examinations preferred but equivalent experience acceptable. Eastern location. Outstanding opportunity for right person. Submit resume including salary desired. Box T-81, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## CREDIT LIFE OPPORTUNITY

An old established stock company in the credit life field has an opening for an executive experienced in office and field work. Individual to be considered must have minimum experience two years. Minimum travel. Salary commensurate with ability. Hospital and other benefits. Willing to relocate. All replies confidential. Send resume to Box T-86, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## SUCCESSFUL GENERAL AGENT

Age 34, married, 8 years sales and sales management, outstanding NET premium gain, personal and agency, desires new connection in ARIZONA. Presently located Phoenix for last 4 years. Write Box T-79, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## AVAILABLE

Over thirty years experience in the insurance industry including supervision of Audit, Group and Sales Departments. Very competent in any of these areas. Personable and successful in working with people at all levels. Will relocate. Write Box T-82, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## MANAGEMENT OPPORTUNITY as District Agent

Orlando District Agency of Northwestern Mutual Life. Write detailed personal and business history. Send to Gene Koch, P.O. Box 10999, St. Petersburg, Florida.

## OPPORTUNITY—FLORIDA

An established Florida Agency of 100 year New England Company needs a supervisor, brokerage manager and part time personal producer. Salary plus incentive. Write Box T-83, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois, and give age, experience and complete biography. All replies confidential.



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side and inside our business, about matters of concern to them. Their comments about the state of their business or their personal attitude toward insurance will be worth considering. The more thoughtful men among our agents can give us a very authoritative picture of public attitudes, needs and desires."

#### Raymond Johnson Speaks

Raymond C. Johnson, New York Life's vice-president in charge of marketing, offered this two-part formula for writing life insurance advertising copy:

"1. Somewhere and somehow show the reader he has a serious problem and get him disturbed about it.

"2. Then suggest he make use of the services of an agent as the person who is best qualified by training and experience to help him solve this problem."

Mr. Johnson suggested as an ex-

ample: "Disturb the reader with that question he often asks himself in the middle of the night, How much life insurance is enough? Tell him the question is a hard one to answer. It depends on his age and the ages of his wife and children, his income, his assets and indebtedness, his existing insurance, his social security benefits, his group insurance benefits, his company pension plan, his tax situation and, most important, his ambitions and dreams for the future. Then tell

#### OFFICERS ELECTED

**President**—John L. Briggs, Southland Life.

**Vice-president**—L. Russell Blanchard, Paul Revere Life.

**Treasurer**—John P. White, Lincoln National.

**Editor**—John B. Blalock, Liberty Life.

**Secretary**—George H. Kelley, New York Life (reelected).

**Executive committee** (two year terms)—Clay R. Alexander, Lamar Life, Henry E. Arnsdorf, Prudential, Myron Jones, Union Central Life, and Richard W. Marsh, California-Western States Life.

## ACTUARIES A

### BOWLES, ANDREWS & TOWNE, Inc.

ACTUARIES  
MANAGEMENT CONSULTANTS  
LIFE—FIRE—CASUALTY  
EMPLOYEE BENEFIT PLANS  
RICHMOND ATLANTA NEW YORK  
PORTLAND DALLAS MIAMI

### COATES, HERFURTH & ENGLAND

Consulting Actuaries  
San Francisco Denver Los Angeles

### WILLIAM C. CONLEY

Consulting Actuary  
Lansing and Detroit, Michigan  
811 American Bank Bldg., Lansing 68, Mich.

### E. P. HIGGINS & CO.

Consulting Actuaries  
Auditors and Accountants  
Pension Consultants  
Bourse Building Philadelphia 6, Pa.

### Haight, Davis & Haight, Inc.

Consulting Actuaries  
Insurance—Pensions  
2801 North Meridian St. 5002 Dodge St.  
Indianapolis 8, Ind. Omaha 32, Neb.

### NELSON and WARREN

Consulting Actuaries  
Pension Consultants  
ST. LOUIS KANSAS CITY

THE HOWARD E. **Nyhart** COMPANY  
INCORPORATED  
Consulting Actuaries  
2859 N. MERIDIAN ST. • INDIANAPOLIS 7, IND.

### Irwin Solomon & Co.

Consulting Actuaries  
Management Consultants  
342 Madison Avenue  
New York 17, N. Y.

him—if he really wants an answer based on his particular life situation—there is a man prepared to help him solve this complex problem: the life insurance agent."

Mr. Johnson suggested that large companies build up the agent in all their magazine and newspaper ads; that all companies build up the agent in their annual reports; that all companies publish a booklet telling interestingly about the valuable services agents perform; that all companies send press releases to agents' local newspapers from the home office when they win special honors; that all companies print announcements of honors and mail them to agents' mailing lists, and send out individually typed letters signed by a company officer to limited numbers of names introducing the agent.

Building up the agent, said Mr. Johnson, will help the agents sell more insurance and will build up the field force morale.

"It is our job," he said, "to make our potential buyers want the services of our agents by convincing them that their life insurance agent is their family financial adviser and 'a good man to know.'"

Additional LAA talks will be reported in a subsequent issue.

#### Mutual Service Life Dividend

Mutual Service Life has distributed a dividend of 11.1%, totalling \$62,997, among 270 cooperatives under the company's cooperative employees group insurance plan which covers about 3,500 employees and 5,000 of their dependents.

## Deaths

W. C. HESTER, 58, general agent in Jackson, Miss., for Pan-American Life, died. He was a partner in the Hester & Hester agency with his brother, Ralph Hester. W. C. Hester joined Pan-American Life in 1935 and was a CLU and a life and qualifying member of Million Dollar Round Table. He served as president of the Jackson and Mississippi life agents' associations. His agency in 1959 won the Edward G. Simmons Memorial award, Pan-American's highest award.

(Additional deaths on page 17.)

## SPAD \* works for me!



### \* Security's Planned Agency Development Program

"SPAD has directly helped increase my production because it places emphasis on the 'how' and provides result-proven audio-visual aids. SPAD is geared to the individual and permits me to use it most effectively in each particular instance."

With SPAD, you know where you're going...today and tomorrow!

SECURITY

OF DENVER

Stuart C. Ferris, C.L.U.  
Agency Vice-President

LIFE & ACCIDENT CO.

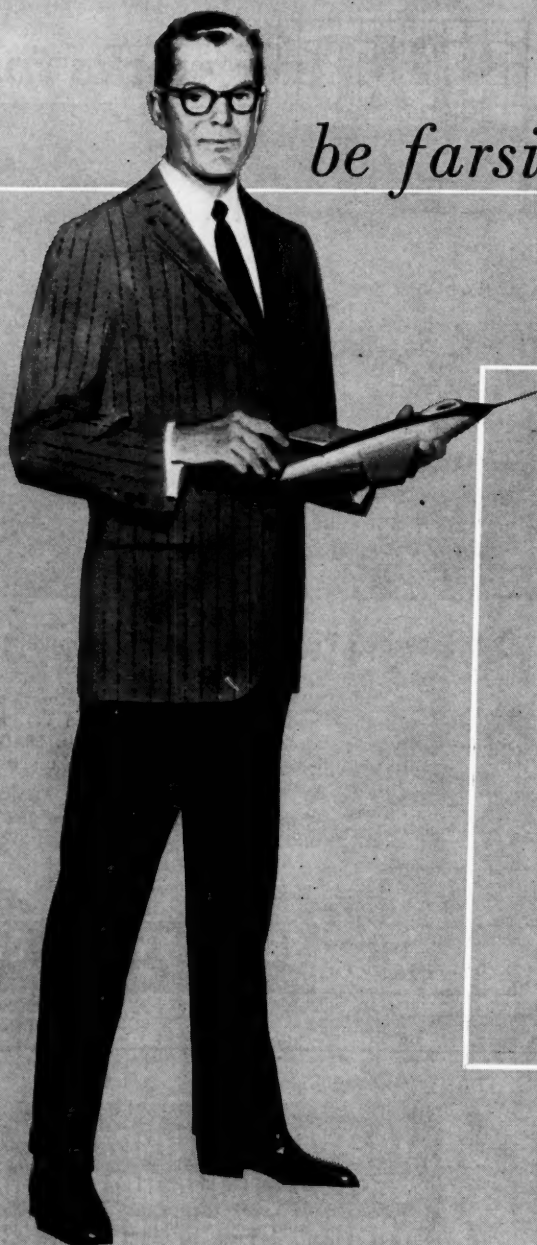
SECURITY LIFE BUILDING  
DENVER 2, COLORADO

## TO THE ONE MAN IN SEVERAL WHO WANTS MORE THAN JUST A WEEK'S PAY...



Now... get into the top earnings brackets made possible with an amazing new contract... specially designed for the personal producer who wants to be his own boss without the responsibility of agency building. Vested renewals provision; pension program; full promotional support to help the right man grow!

This opportunity available in these States—California, Florida, Illinois, Indiana, Maryland, Michigan, Mississippi, North Carolina, Ohio, Pennsylvania, Vermont, Virginia. For complete information write Box T-65, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



*be farsighted...join **United***

in six years  
**United**  
of Omaha  
has doubled  
its insurance  
in force

## NOW! 2 BILLION DOLLARS L I F E   I N S U R A N C E   I N   F O R C E

In 1953, United of Omaha became the youngest life insurance company to reach one billion dollars of life insurance in force. Now, only six years later, United has doubled its insurance in force. Watch United in the Sixties! With its solid foundation and progressive ideas of protection and service, United will continue to grow and provide outstanding service for more and more people.

*And United's Lifetime Career Contract means—extra pay—the United Way!*

**United**  **OF OMAHA**

UNITED BENEFIT LIFE INSURANCE COMPANY

*N. Murray Longworth, President*

A Two-Billion Dollar Life Insurance Company • Home Office: Omaha, Nebraska • Canadian Office: Toronto

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